



## GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture

SEPTEMBER 10, 2002



**Diesel Prices Continue Upward.** The current national average price for diesel is \$1.396 per gallon for the week of September 9, 2002, up 1 cent from the previous week but down 10 cents from last year at this time, according to the Department of Energy. This is the highest average U.S. price for diesel this year. As usual, prices in California and the West Coast are considerably higher than in other regions, and prices in the Lower Atlantic are below other regions of the country. The increase in crude oil prices, the threat of U.S. military action against Iraq, and the nearing of fall and winter can all explain the steady increase in diesel prices nationwide. (*USDA, Transportation Services, [Johnny.Hill@usda.gov](mailto:Johnny.Hill@usda.gov)*)

**U.S. Wheat Exports to Brazil Increase, Brazil/Argentina Meal Markets Up.** The United States is expected to increase wheat exports to Brazil substantially this year, thanks to a decrease in wheat exports from Argentina, formerly a major supplier of wheat to Brazil. Economic conditions in Argentina have forced wheat prices to extremely high levels, and this has led Brazil to turn to other suppliers. To date, U.S. wheat inspected for export to Brazil has more than doubled last year's exports already, at 9.1 million bushels. Other countries such as Canada and Russia are also expecting to export more grain to Brazil.

On the other hand, soybean markets are improving in Brazil and Argentina. The two countries are expecting to grab a larger share of the global soybean and meal markets in 2002. Brazil is the world's second largest producer of soybeans, and Argentina is currently the world leader in exporting soybean meal and oil. Increased U.S. meat exports in recent years have caused domestic use of meal to rise and soybean meal exports to decrease. (*USDA, Transportation Services, [Johnny.Hill@usda.gov](mailto:Johnny.Hill@usda.gov)*)

**Canadian Labor Strike Affects Second Pacific Port.** The labor disruption at the Canadian Port of Vancouver has recently spread to the its northern neighbor, Prince Rupert, as employees of that grain terminal are honoring a picket line set up there by Vancouver workers. The Prince Rupert Grain Terminal has been handling grain diverted from the Vancouver facility after an August 26 labor dispute between the grain terminal operators and the Grainworkers union resulted in a lockout of all grain workers at the Port of Vancouver.

While the strike, apparently, has not had a dramatic affect on grain movements, the Canadian Wheat Board (CWB), which markets Canada's wheat and barley continues to assess the situation. "At present time, it's not having an effect on our operations," according to Deanna Allen, a CWB representative, as the board expected to continue to use Prince Rupert as an alternative to Vancouver. The Prince Rupert dispute is a result of a union claim that the terminal is "common employer" with the Vancouver facilities. A court ruling will determine if the labor agreements of both ports should be covered by a single agreement, which will determine if the pickets can remain at the Prince Rupert facility. Although Vancouver is Canada's busiest port, the dispute has not affected nongrain shipments or grain shipments through other ports, such as Thunder Bay, Ontario, and Churchill, Manitoba. (*Reuters 9/10*)

**Low Wheat Yields Equals Slow Earnings Growth For CN.** The Canadian National Railway Company (CN) will see revenues fall by approximately \$170 million this year following a drought and a subsequent "disastrous" grain harvest in Western Canada, according to Paul Tellier, the railroad's chief executive officer. Grain is one of CN's main commodities, making the company especially vulnerable to production decreases. Grain and fertilizer shipments normally account for 21 percent of CN's revenue.

Further bad news for Canadian grain production recently came in the form of an early freeze, adding more damage to grain yields and quality. According to CWB, crop yield for this year is estimated to be 50 percent below the previous 5-year annual average. "If not for grain, we would have had a very strong year," said Tellier. (*NewsEdge 9/6, The Wichita Eagle 9/8*)

**Santos Terminal To Be Latin America's Largest.** The southeast Brazilian state of Sao Paulo will have the largest grain terminal in Latin America, according to local news sources. The 300,000-square-meter Guaruja grain terminal (TGG) will be located at the Port of Santos and is expected to double the port's capacity to ship grains when complete in 2 years. The project is being financed by agribusiness groups, Andre Maggi and Bunge, with the 500,000-square-meter plot provided by railroad company, Brasil Ferrovias.

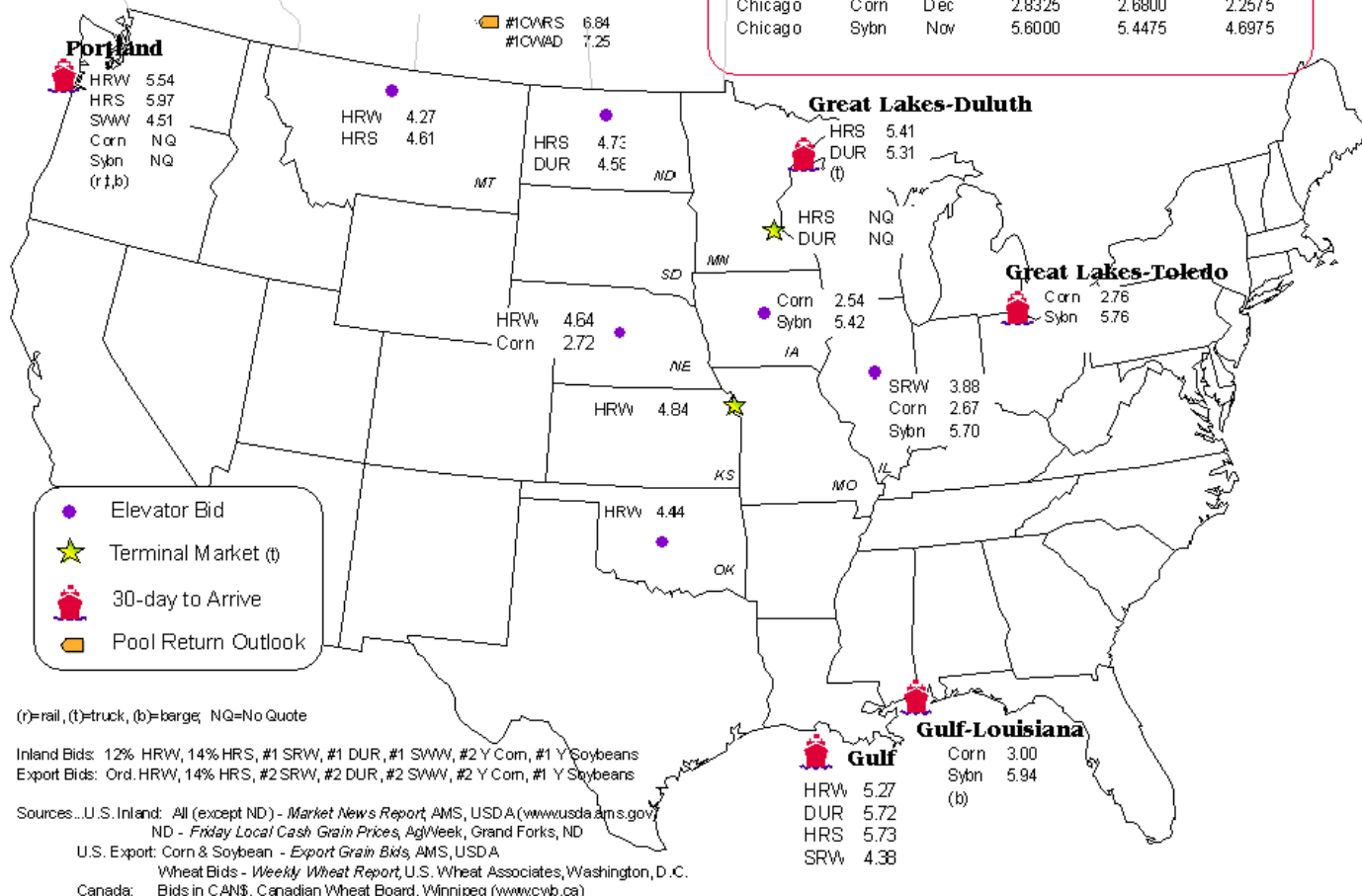
When it opens in 2004, the initial handling capacity of TGG will be 3.5 million tons per year. This capacity will gradually increase to 7.5 million tons per year by 2008. (*NewsEdge 9/12*)

Report is prepared by Johnny Hill and Hooshang Fazel, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at [www.ams.usda.gov/tmd/grain.htm](http://www.ams.usda.gov/tmd/grain.htm). E-mail comments to [Johnny.Hill@usda.gov](mailto:Johnny.Hill@usda.gov) or [Hooshang.Fazel@usda.gov](mailto:Hooshang.Fazel@usda.gov)

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## Grain Bid Summary

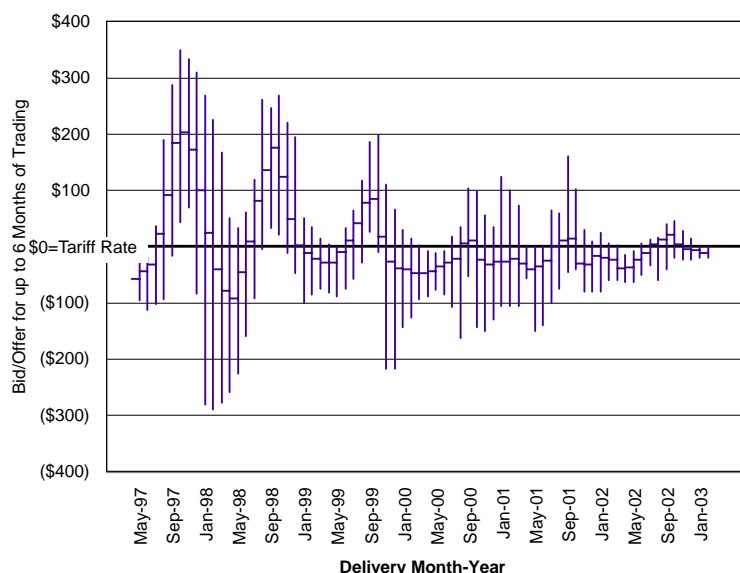
Futures:			09/06/2002	Week Ago 08/30/2002	Year Ago 09/07/2001
Kansas City	Wht	Dec	4.6425	4.2300	3.0150
Minneapolis	Wht	Dec	4.9150	4.3500	3.1450
Minneapolis	Dur	Dec	5.2500	5.0000	n.a.
Chicago	Wht	Dec	4.1000	3.6225	2.8025
Chicago	Corn	Dec	2.8325	2.6800	2.2575
Chicago	Sybn	Nov	5.6000	5.4475	4.6975



### Spot Barge Rate - Illinois River



### Secondary Rail Market Bids



**Rail Car 'Auction' Offerings**

Delivery for:	Oct-02		Nov-02	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
<b>BNSF-COT</b>	14,097	60%	11,652	8%
<b>UP-GCAS</b>	No Offer	No Offer		

Source: Transportation &amp; Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

**Secondary Rail Car Market**

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Sep-02	Oct-02	Nov-02	Dec-02
BNSF-GF	\$10	\$4	\$(9)	\$(11)
UP-Pool	\$(40)	\$(16)	\$(20)	\$(22)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;  
 GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange,  
 Pool=Guaranteed Pool

*note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted*

**Railroad Car 'Auction' Results**

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Oct-02	Nov-02	Dec-02
COT/N. Grain	\$1	no offer	no offer
COT/S. Grain	no offer	no offer	no offer
GCAS/Region 2	no offer	no offer	no offer
GCAS/Region 4	no offer	no offer	no offer

Source: T&M/AMS USDA. Data from [www.bnsf.com](http://www.bnsf.com), [www.uprr.com](http://www.uprr.com),  
 (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

**Southbound Barge Freight Nominal/Cash Basis Values**

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

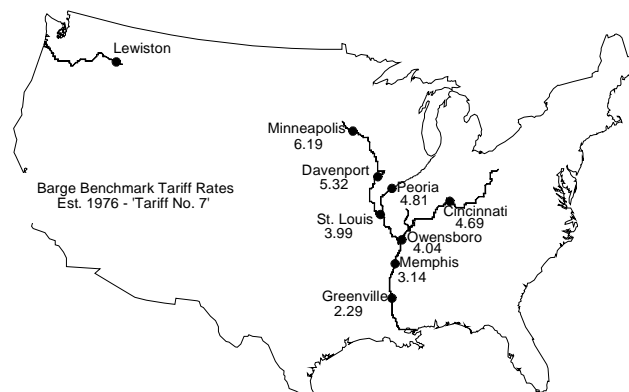
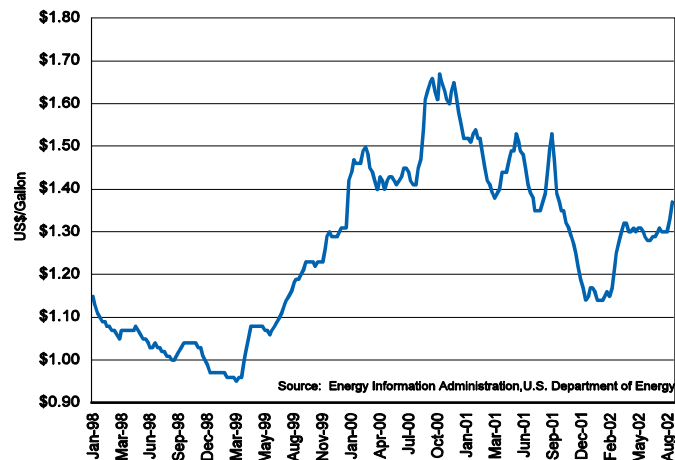
Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
09/10/02	St. Louis	Aug	n/a	n/a
		Oct	n/a	170
		Dec	n/a	120
		Feb	n/a	120
		Mar	n/a	120
	Illinois River	Aug	n/a	n/a
		Oct	n/a	185
		Dec	n/a	158
		Feb	n/a	170
		Mar	n/a	160

Source: St. Louis Merchants Exchange

**Southbound Barge Freight Spot Rates**

	9/4/02	8/28/02	Oct '02	Dec '02
Twin Cities	169	160	218	0
Mid-Mississippi	154	140	200	0
Illinois River	139	128	192	161
St. Louis	123	107	168	122
Lower Ohio	119	102	183	131
Cairo-Memphis	122	105	157	118

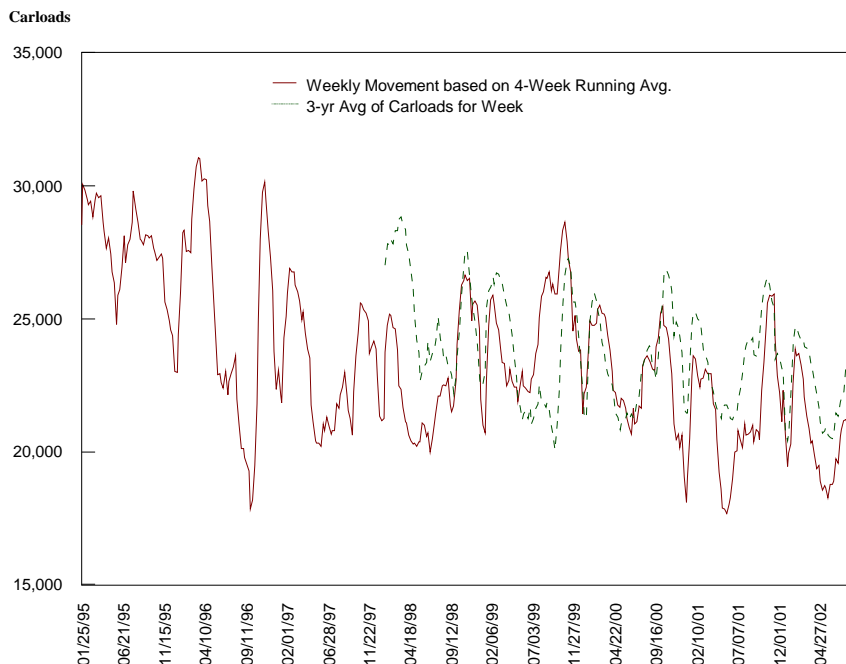
Source: Transportation & Marketing /AMS/USDA  
 nq=no quote; rates are percentages of 1976 Benchmark



## Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
8/17/02	19,963
8/24/02	20,050
8/31/02	18,956
Year to Date - 2002	718,169
Year to Date - 2001	732,699
Total 2001	1,117,601
Total 2000	1,188,917

Source: Association of American Railroads



## Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

	East		West			Canada	
	CSXT	NS	BNSF	KCS	UP	CN	CP
08/31/02	2,208	2,893	7,514	357	5,984	2,806	3,884
This Week Last Year	2,396	2,764	9,765	580	7,259	4,599	4,695
2002 YTD	95,620	109,052	258,508	18,776	232,058	137,427	127,742
2001 YTD	102,675	106,649	275,735	16,471	231,169	170,379	155,344
2001 Total	151,864	163,018	428,603	26,330	347,156	254,982	232,461
2000 Total	147,708	153,905	425,849	26,515	364,785	160,749	239,670

Source: Association of American Railroads

## Tariff Rail Rates for Unit Train Shipments

September 2002

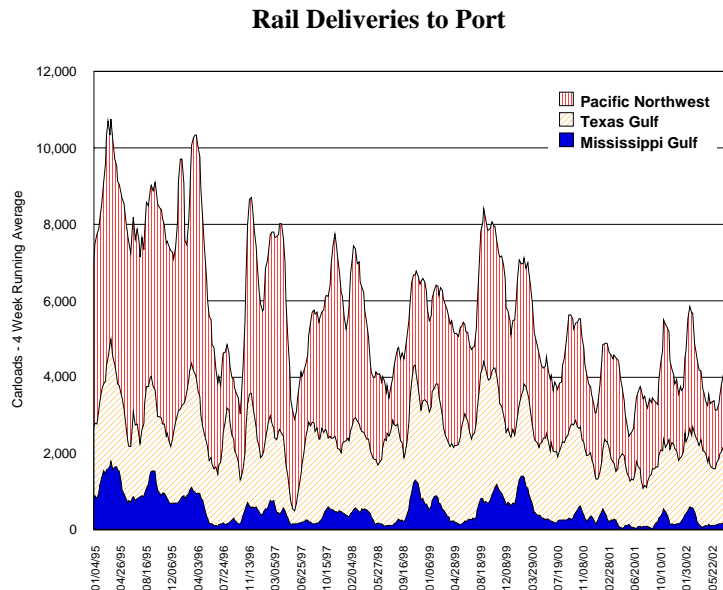
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
09/02/02	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
09/02/02	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
09/02/02	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
09/02/02	43586	Wheat	Kansas City, MO	Portland, OR	\$4,347	\$47.92	\$1.30
09/02/02	43581	Wheat	Omaha, NE	Portland, OR	\$4,005	\$44.15	\$1.20
09/02/02	31005	Corn	Minneapolis, MN	Portland, OR	\$3,050	\$33.62	\$0.85
09/02/02	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
09/02/02	31005	Corn	Omaha, NE	Portland, OR	\$2,850	\$31.42	\$0.80
09/02/02	61110	Soybean	Minneapolis, MN	Portland, OR	\$3,030	\$33.40	\$0.91
09/02/02	61110	Soybean	Omaha, NE	Portland, OR	\$2,780	\$30.64	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat &amp; Soybeans 60 lbs/bu

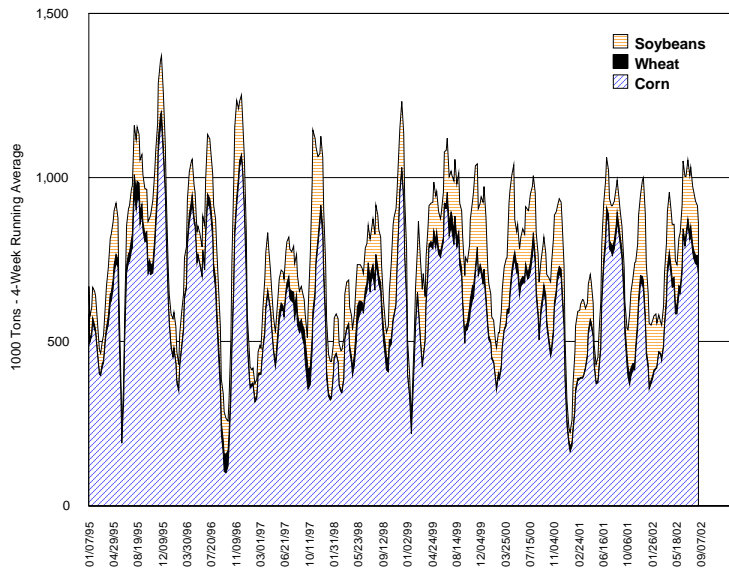
<b>Rail Deliveries to Port</b>				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
07/24/02	1*	2,139	2,480	274
07/31/02	0*	1,731	2,366	624
08/07/02	0*	1,368	1,335	161
08/14/02	98*	1,568	1,566	291
08/21/02	0*	1,261	1,151	339
08/28/02	101*	1,100	1,002	2
YTD 2002	7,283*	63,720	66,211	15,306
YTD 2001	5,817	49,759	71,540	17,079
Total 2001	10,022	81,804	111,376	26,604
Total 2000	25,767	104,473	128,414	14,816

Source: Transportation &amp; Marketing/AMS/USDA



(\*) Incomplete Data

## Barge Movements - Locks 27

**Barge Grain Movements**

for week ending 8/31/02

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	199	2	37	238
Winfield, MO (L25)	309	17	75	402
Alton, IL (L26)	490	25	96	618
Granite City, IL (L27)	501	22	95	624
Illinois River (L8)	133	6	12	156
Ohio (L52)	9	3	5	38
Arkansas (L1)	0	11	0	11
2002 YTD	24,477	1,722	6,928	34,250
2001 YTD	21,694	1,752	5,887	30,618
Total 2001	31,878	2,679	10,616	47,091
Total 2000	33,482	2,518	10,327	48,247

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.  
Source: U.S. Army Corp of Engineers.

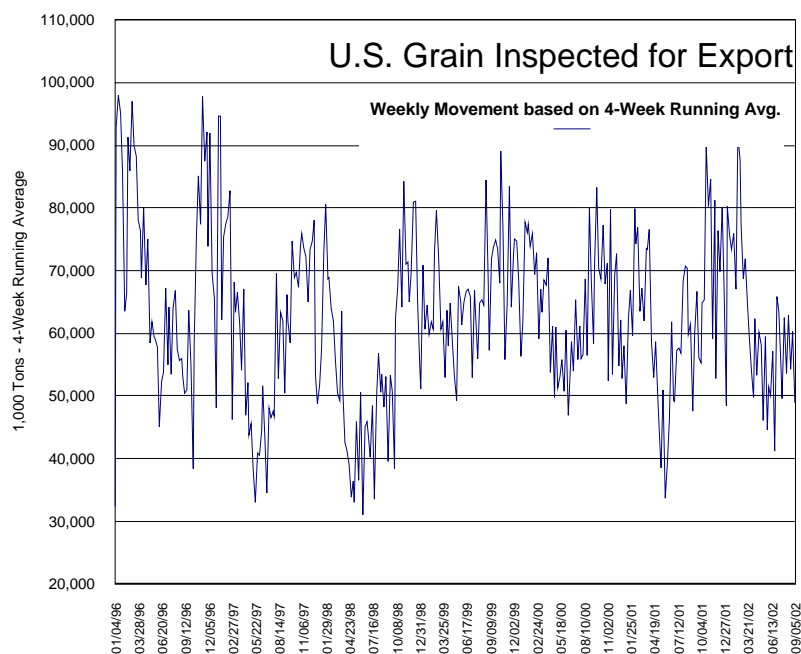
**U.S. Export Balances** (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	Wheat <i>SWW</i>	<i>DUR</i>	<i>All</i>	Corn	Soybean	Total
<u>Unshipped Exports-Crop Year</u>									
08/29/02	1,246	327	1,236	597	90	3,495	6,123	5,348	14,966
This Week Year Ago	1,287	919	1,039	374	325	3,943	2,806	711	7,460
<u>Cumulative Exports-Crop Year</u>									
01/02 YTD	2,322	870	1,534	895	258	5,878	47,460	29,838	83,176
00/01 YTD	1,956	1,309	1,218	824	325	5,633	47,219	17,713	70,565
99/00 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
98/99 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date ([www.fas.usda.gov](http://www.fas.usda.gov)) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

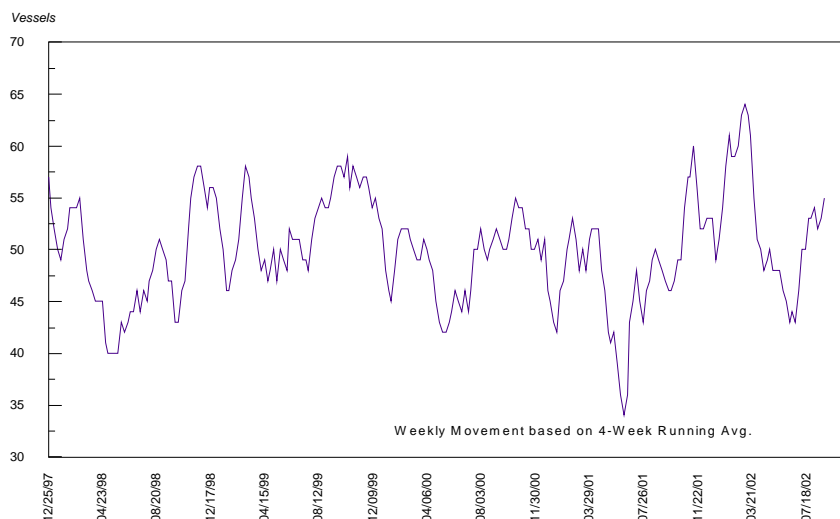
	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
09/05/02	216	49	0	82	719	95	113	0	0
2002 YTD	5,895	2,926	1,382	3,876	26,344	10,715	4,302	214	903
2001 YTD	6,526	3,844	1,355	4,093	23,745	9,685	3,800	212	951
% of Last Year	59%	49%	81%	57%	75%	60%	62%	46%	90%
2000 Total	9,946	6,006	1,710	6,776	35,231	17,953	6,927	470	1,008

Source: Federal Grain Inspection Service YTD-Year-to-Date

**Select Canadian Ports - Export Inspections**

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 8/29/02			
08/29/02	Wheat	Durum	Barley
Vancouver	318	21	3
Prince Rupert			
Prairie Direct	20	26	21
Thunder Bay	34	49	3
St. Lawrence	213	139	0
2001/02 YTD	585	235	27
2002/03 YTD	783	49	77



**Gulf Region  
Vessels Loaded  
- Past 7 Days-**

### Port Region Ocean Grain Vessels

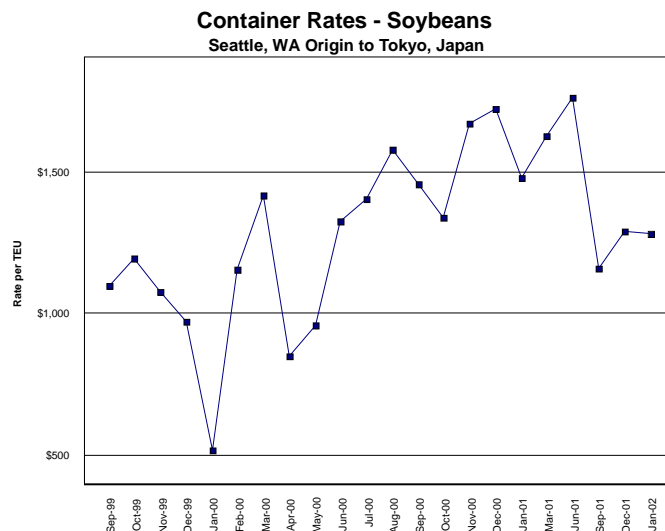
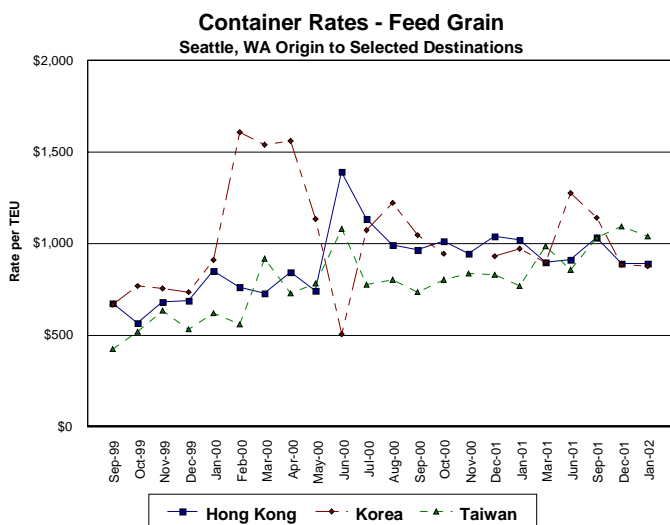
	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
08/22/02	32	57	55	8			6	6	1
08/29/02	27	58	63	5			4	2	0
2001 Range	(13..65)	(28..64)	(46..81)	(1..18)			(4..20)	(3..14)	(0..7)
2000 Range	(23..50)	(34..57)	(47..83)	(4..15)			(4..20)	(5..19)	(0..9)
2001 Avg	36	48	63				12	8	3
2000 Avg	36	49	65				11	9	3
1999 Avg	32	52	65				10	9	3

Source: Transportation & Marketing /AMS/ USDA

### Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share

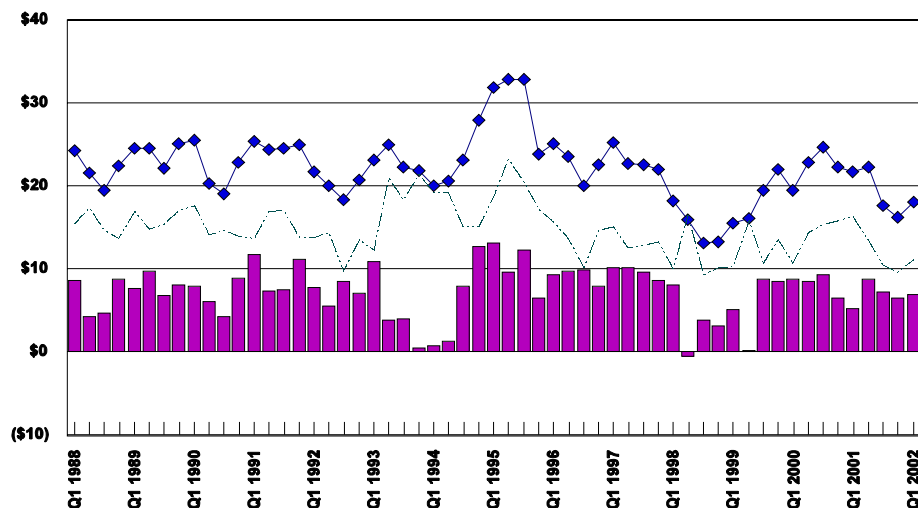
Source: Transportation & Marketing/AMS/USDA





◆ Rate - Gulf to Japan  
 --- Rate - PNW to Japan  
 ■ Spread - Gulf vs. PNW to Japan

US\$/Metric Ton



Quarterly Ocean  
 Freight Rates

### Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2002 2 <sup>nd</sup> Qtr	2001 2 <sup>nd</sup> Qtr	% Change		2002 2 <sup>nd</sup> Qtr	2001 2 <sup>nd</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
Japan	\$19.43	\$22.31	-13%	Japan	\$11.03	\$13.05	-18%
Mexico	\$46.92	\$17.84	63%				
Venezuela		\$14.76	-	<b>Argentina to</b>			
N. Europe	\$13.58	\$16.93	-20%	Med. Sea	\$16.98	\$26.08	-35%
N. Africa	\$15.84	\$19.52	-19%	N. Europe	\$17.16	\$19.68	-13%
Med. Sea	\$12.62	\$15.80	-20%	Japan	\$25.10	\$26.62	-6%
Black Sea		\$21.16	-				

Source: Transportation & Marketing/AMS/USDA; (\*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

### Ocean Freight Rates (Select Locations) - week ending 9/7/02

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
US Gulf	Beirut (Lebanon)	Corn	Sept 10/20	8,000	\$29.00
US Gulf	Ghana	Wheat	Sept 16/26	8,500	\$116.14
US Gulf	Lagos (Nigeria)	Rice (Bgd)	Sept 15/Oct 10	12,500	\$151.74

Source: Maritime Research Inc.; rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option